



PRESS RELEASE

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PHOENIX STORE OWNER SENTENCED

PHOENIX –The U.S. Attorney's Office for the District of Arizona announced that on August 16, 2004, Houssam M. Dannaoui, DOB 2/12/57, of Phoenix was sentenced by U.S. District Judge Susan R. Bolton in Phoenix to three years probation and ordered to pay a \$15,000 fine and \$17,048 in restitution.

After a five-day trial, Dannaoui was found guilty by a jury on February 13, 2004 of Conspiracy to Defraud the United States and three counts of Theft from the Women's, Infants and Children's (WIC) Nutrition Program.

The evidence at trial showed that Dannaoui, the owner of the Broadway Market on 20th Street, Phoenix, permitted some of his trusted customers to use their WIC vouchers at his store to obtain merchandise which was not authorized for purchase with the WIC checks. The WIC Program provides supplemental nutrition for pregnant women and children up to five years of age via a voucher which lists the specific authorized items and can be used at any grocery store participating in the program. Dannaoui would discount the vouchers by approximately 50% from

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their face value in these unauthorized transactions but would nevertheless send the checks through the banking channels for payment by the government for their full face value.

Dannaoui was also found guilty of a second form of fraud whereby he accepted fraudulently created WIC checks from his co-defendant, Norma Patricia Vilchis de Colin, who used 16 different identities to obtain WIC-authorized Enfamil, a baby formula, as well as other food items. The Enfamil was repurchased by Dannaoui and his staff for approximately one half of the government paid price and resold to the public for the enhanced profit. Dannaoui's former co-defendants, Marie Castaneda, a former WIC employee, who was the leader of the conspiracy, is currently serving a 15-month prison sentence. Norma Patricia Vilchis de Colin and Jose Antonio Colin, the other co-defendants, were sentenced to probation after they testified against the defendant concerning the arrangement for the purchase of in excess of 1,000 cans of fraudulent obtained Enfamil. The Colins spent four months in pretrial confinement and were deported because of their illegal alien status.

The investigation leading to the guilty verdict was conducted by Special Agents from the Office of the Inspector General of the U.S. Department of Agriculture.

The prosecution was handled by Richard I. Mesh, Assistant U.S. Attorney, District of Arizona, Phoenix.

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